

November 20, 1997

Mr. Bob Holladay  
**Clifton Mining Company**  
70 West Canyon Road, Suite D  
Alpine, Utah 84004



**SUBJECT: Cactus Mill Site, Gold Hill, Utah**  
**REDD #97017.3**

**RE: Reclamation Plan**

Dear Mr. Holladay:

This letter is in response to your request to REDD for development of a Reclamation Plan for the Clifton Mining Cactus Mill, Utah site. Per your request, the Reclamation Plan (see attached Work Item Description) includes a description of the reclamation work to be performed at the Cactus Mill Site and estimated costs to perform the reclamation work.

The Reclamation Costs for the Cactus Mill Site are based on the following assumptions and limiting conditions:

1. The Reclamation Plan presented in this letter is based on the information given to Mr. Boyd Tangren by Clifton Mining over the telephone and in the Clifton Mining facsimile to Mr. Tangren dated August 25, 1997.
2. Item costs are based on current 1997 Labor, Equipment and Material Rates and acceptable construction methods. The entire labor force necessary to complete this project is assumed to be available in the vicinity of the Cactus Mill Site. Labor rates for laborers coming from other areas would be higher than those used in this estimate due to per diem and travel costs.
3. The Site Plan Drawing attached to this letter was provided by Clifton Mining and was used in estimating the reclamation costs.
4. REDD does not guarantee that its opinions concerning estimated reclamation costs presented in this letter will not differ materially from actual costs or negotiated prices or bids.

**REDD**  
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We estimate the cost for reclamation of the Cactus Mill Site to be seventeen thousand five hundred dollars (\$17,500) based upon the assumptions and limiting conditions described in this letter and based on the information contained in the attached Work Item Description.

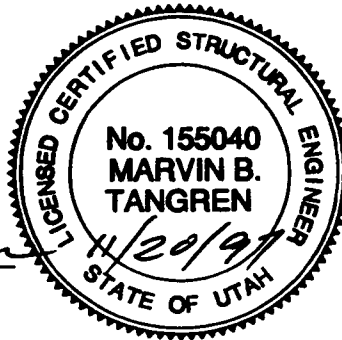
Please call should you have questions or need additional information.

Respectfully yours,

**J. P. REDD, INC.**

By

  
Boyd Tangren, P.E.



cc: J. Michael Redd  
Matt Miller  
File

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## **Work Item Description**

### **Item #1      Remove Existing Building**

#### **Work Description**

Remove the existing 50 foot wide by 100 foot long metal building. The structure will be torn down and removed from the site. As part of the removal, the following work items will be completed:

- a. Import fill material to blend in with the existing natural ground contour. No scarifying or ripping will be required since this site will be constructed of imported material.
- b. After the site has been re-constructed to meet the natural ground contours, re-seed the location using the seed mix recommended by the Bureau of Land Management (BLM).
- c. This location will be used as a bury site for concrete foundation debris generated from other work items.

#### **Estimated Cost**

- |    |   |         |
|----|---|---------|
| a. | Import fill material to return site to natural contours |         |
| b. | Re-seed location  | \$5,000 |

### **Item #2      Shape and Re-seed Tailings Pile**

#### **Work Description**

At the time of reclamation, it is estimated the tailings pile will occupy an area of 100,000 square feet (2.3 acres). The pile will have an average height of 12 feet, equaling an approximate volume of 1,200,000 cubic feet.

Based on past experience, the tailings will contain a high percentage of clay and soil that will support native vegetation, therefore, it will not be necessary to import top soil for re-seeding. Re-seeding of the site will be accomplished using a grass mix and rate of application to be as recommended by the BLM.

The tailings piles will be contoured to match the existing topography. The final slope of the tailings pile will vary depending on the topography of the natural ground.

#### **Estimated Cost**

- |    |  |         |
|----|--|---------|
| a. | Reshape the tailings pile to blend in with the existing topography |         |
| b. | Re-seed location   | \$2,000 |

**Item #3**      **Bury Metal Building Concrete Foundation**

**Work Description**

The debris from the concrete foundation will be buried at the building site location described in work item #1. This work item (Item #3) includes only the cost of hauling the concrete debris to the building location. Re-seeding and burying costs are included in work item #1.

**Estimated Cost**

- |    |                                |         |
|----|--------------------------------|---------|
| a. | Haul material to building site | \$1,500 |
|----|--------------------------------|---------|

**Item #4**      **Remove Existing Office Trailer**

**Work Description**

Remove the office trailer and 6 foot by 6 foot concrete containment structure. The trailer is on wheels and will be removed from the site. The concrete containment structure will be demolished and buried at the location described in work item #1.

**Estimated Cost**

- |    |   |         |
|----|---|---------|
| a. | Remove trailer                            |         |
| b. | Haul concrete debris to building location | \$1,200 |

**Item #5**      **Remove Ore Storage Bin**

**Work Description**

The ore storage bin consists of a three-sided concrete structure with four (4) foot walls on a 5 inch concrete slab. There is no foundation. The structure will be demolished and the concrete debris moved to the building site described in work item #1. The site will then be contoured and re-seeded.

**Estimated Cost**

- |    |   |         |
|----|---|---------|
| a. | Demolish structure and haul debris to designated location |         |
| b. | Contour and re-seed site                                  | \$1,800 |

**Item #6**      **Remove Structure**

**Work Description**

Remove the three-sided concrete structure that is 20 feet long by 20 feet wide with 8 foot walls. The structure will be demolished and the concrete debris hauled to the building site described in work item #1. The site will then be sloped to blend with the existing contours and re-seeded.

**Estimated Cost**

- a. Demolish structure and haul debris to designated location
  - b. Contour and re-seed site
- \$1,500

**Item #7      Water Pit**

**Work Description**

Fill, contour and re-seed the water pit area.

**Estimated Cost**

\$1,000

**Item #8      Miscellaneous Cleanup**

**Work Description**

Remove scrap metal and debris. Remove miscellaneous fencing consisting of sections of a four (4) foot high field fence topped with a single strand of barbed wire. Rip and re-seed the common areas located between the various reclamation sites. Scarify and re-seed all access roads within the area of activity. Remove crusher and reclaim site by shaping and re-seeding the location.

**Estimated Cost**

\$3,500

**Total Estimated Reclamation Cost:**

**\$17,500**

UMC # 359376

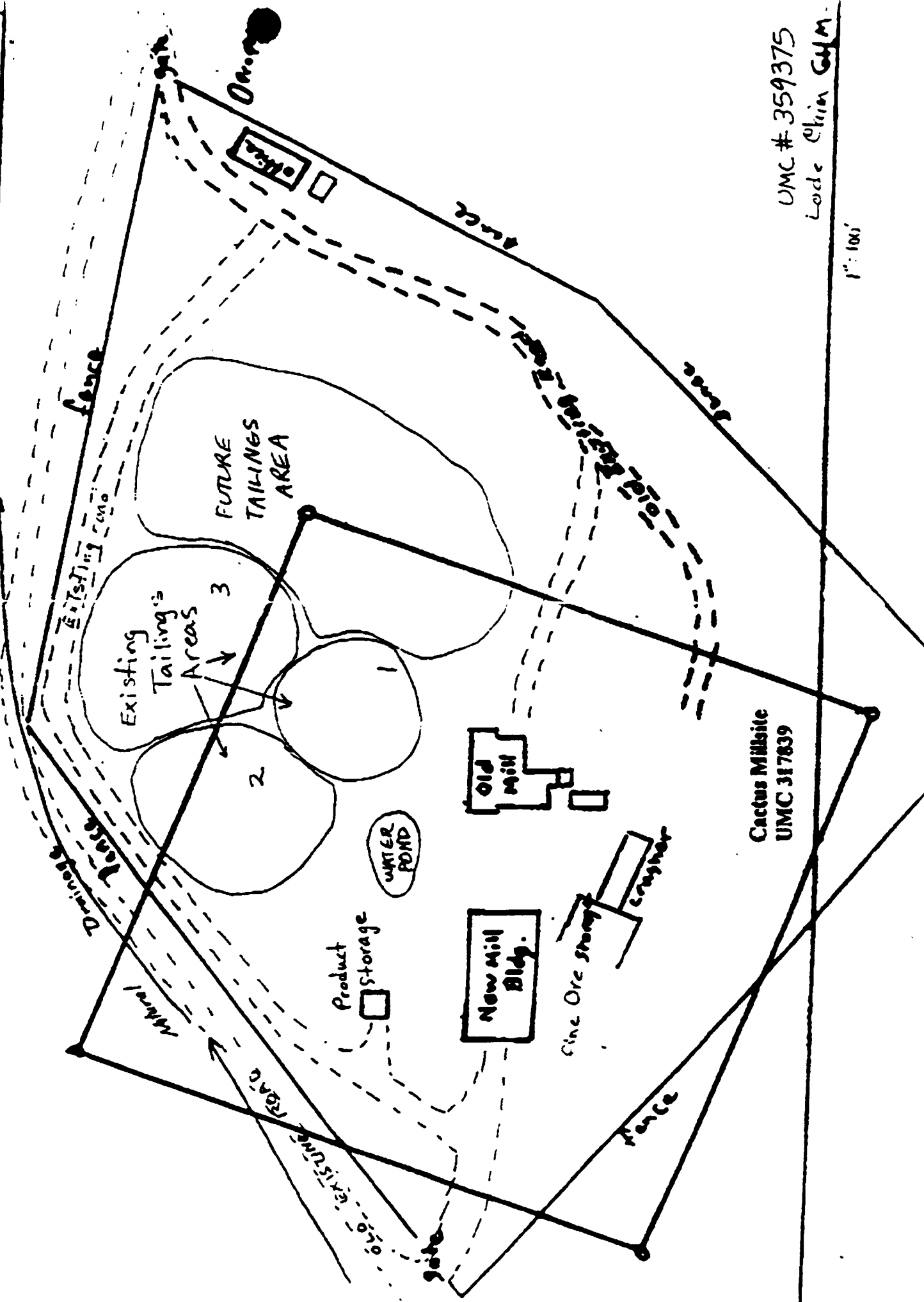
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UMC # 359375

Code Claim GHM-1

1" = 100'



Cactus Millsite  
UMC 317839